

Continental Casualty Company
August 9, 2022

SERFF #s: CNAB-133114869

Filing Summary:

Continental Casualty Company requested approval to increase the premium an average of 45.7% on 2,569 policies from individual LTC Preferred Advantage and TQ policy series. The actual request was a 60% increase on 312 Preferred Advantage policies and 562 TQ policies with a lifetime benefit period and an inflation rider, a 35% increase on 473 Preferred Advantage policies and 1,041 TQ policies with a non-lifetime benefit period and with an inflation rider, and a 35% increase on 55 Preferred Advantage policies and 126 TQ policies with a lifetime benefit period and without an inflation rider.

Product Series	Benefit Period	Inflation Rider	Requested Rate Increase	# of Policies
Preferred Advantage	Lifetime	With	60%	312
	Non-Lifetime	With	35%	473
	Lifetime	Without	35%	55
TQ	Lifetime	With	60%	562
	Non-Lifetime	With	35%	1,041
	Lifetime	Without	35%	126
45.7%				2,569

The Department approved the requested 45.7% increase with an adjustment for delayed implementation. The maximum increase is 67.3% and the minimum increase is 36.4%. The increases will be implemented over two years with no policyholder receiving more than 30% in any year.

Effective date of rate change: Renewals on and after 8/9/2022.

The current policies in place are not generating sufficient premium to pay future claims to policyholders. This is a common problem for a number of insurers nationwide because policyholders are keeping their policies longer than expected and are living longer than projected. As a result, policyholders are using more benefits on average than the company anticipated when the policies were originally sold. This means the company has to pay out more for benefits than it originally projected.

In making this decision, the Department considered the projected loss ratio for each block of policy forms, that is, the projected total amount of benefits paid out versus the total amount of premium collected, the reasonableness of

the assumptions the company used in its projections, and the company's financial situation. The Department also considered the financial impact this rate increase would pose to consumers, the past rate increases policyholders have faced, and the availability of options to limit the rate increase by reducing benefits.

The company is offering ways for policyholders to limit the rate increase by reducing benefits. The company will let you know your options when they contact you directly about this premium increase.

This Rate Filing Decision Summary is a tool to help explain the rate filing and does not describe all the factors considered as part of the Department's rate review.